

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

April 4, 2019

ADDENDUM NO. 1

FOR

Request for Proposal (RFP) #1366 - IRREVOCABLE TRUST MANAGEMENT

The following changes, additions, deletions or corrections shall become a part of the RFP documents for the project named above and all other conditions shall remain the same. Addendum No. 1 must be acknowledged by placing company name, authorized signer name, title, signature and date at the end of this addendum and include this document in your proposal.

QUESTION 1: What is the size of the Opportunity?

ANSWER: The District's total OPEB Liability was \$167.3 million as of the latest actuarial study dated July 16, 2018. The District intends to create the irrevocable trust with approximately \$40 million and will add to it over time.

QUESTION 2: Will an Investment Policy be provided for the RFP?

ANSWER: No, the District would like to work with the successful respondent to write the investment policy for consideration by the Board of Trustees.

QUESTION 3: Would the trustees of the Irrevocable Trust at Rancho Santiago Community College District consider hiring solely for an investment management firm and separately hiring for a third-party administrator?

ANSWER: No, please respond as requested in the RFP.

QUESTION 4: Regarding E., Staffing, Key Personnel and Project Organization, question 4., as an investment advisor, we do not track or allocate employee hours by project or client. Would the District clarify what it intends to learn from the answer to this question as it relates to the management of trust assets?

ANSWER: The District is replacing the current language in this question from "Indicate adequacy of labor resources utilizing a spreadsheet table projecting the labor-hour allocation to the project by individual task." To "Indicate if there are adequate resources to perform the specified services."

QUESTION 5: How much money does the District intend to fund into the trust?

ANSWER: The District intends to create the irrevocable trust with approximately \$40 million and will add to it over time.

QUESTION 6: Is this document available in Microsoft Word format?

ANSWER: Yes, the Word version is attached.

QUESTION 7: Will additional information be provided? Specifically is there more detail regarding current assets and future funding plans?

ANSWER: The District currently has accumulated approximately \$70 million set aside in a dedicated fund. The District intends to create the irrevocable trust with approximately \$40 million and will add to it over time.

QUESTION 8: In Section III.B, the RFP states:

1. Manage the District's portfolio with directed authority.

Yet in Section VI.G, the RFP also states:

43. What are the differences (if any) between the fiduciary responsibilities/duties of a Trustee as opposed to a registered investment advisor (RIA)?

44. Describe how your overall trust company structure along with your compliance with various State and Federal constitutional case law, ERISA, GASB 74/75 guidelines and other appropriate codes minimizes the clients fiduciary liability exposure.

45. What type of Trust is being implemented? Discretionary? Directed? Both? Other?

Section III.B.1 specifies directed authority, whereas Section VI.G.45 asks about discretionary, directed, both, and other. Can you please clarify any requirement or preference?

ANSWER: The District intends for the portfolio will be managed with directed authority, but will consider alternatives with rationale for why you would propose something different.

QUESTION 9: In Section VI.E, the RFP states:

4. Indicate adequacy of labor resources utilizing a spreadsheet table projecting the labor hour allocation to the project by individual task.

5. Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontracted work.

6. Include a project organization chart, which clearly delineates communication/reporting relationships among the project staff.

7. Include a statement that key personnel will be available to the extent proposed for the duration of the project, acknowledging that no person designated as "key" to the project shall be removed or replaced without prior written concurrence of the District.

Please provide clarification regarding the use of the term project in the Section above.

ANSWER: By project, the District means the management of the trust.

Addendum 1: Dated April 4, 2019

Proposer: _____

Name: _____

Authorized Signature: _____

Title: _____

Date: _____

THIS IS THE END OF ADDENDUM NO. 1

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT



**Linda Melendez
Director, Purchasing Services**